

Corporate social responsibility in BRICS countries: conceptual model and empirical evidence from communication channels

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Abstract

While in most of the emerging markets, the state still holds the key to business success (Krisnan, Balachandran 2008), little has been developed on the balance between the state and business incentives and motivation to imply CSR (both reactive and proactive). To fill in this gap the paper aims to classify drivers of CSR in BRICS countries as per business-initiated (bottom-up approach) and state-directed initiative (top-down approach). The paper also pinpoints and categorizes the priorities of big businesses to find the systemic gaps in the implementation of strategic corporate social responsibility in BRICS countries at the state level.

Key words: CSR, BRICS, communication channels, state influence, business strategy

State of art

The impacts of BRICS geopolitical cooperation on the model of socially responsible corporate behavior are on the rise in the academic literature. Relevance of the topic, in particular, is supported with the export of socially responsible practices of multinational corporations on certain markets as well as the development of benchmarking practices tailored to local business and cultural traditions (Zhang, 2009). This integration of the principles of sustainable development in corporate and government policies lead to difference in applied levels of social responsibility, especially in the framework of non-homogeneous economies of BRICS.

CSR communications focusing on reputation related to social responsibility and legitimacy (Czinkota et al, 2014) are linking businesses, governments and society in understanding the signals to further co-develop in a sustainable way. This kind of communication embraces a variety of cross-functional and multidisciplinary concepts and goes beyond marketing theory aiming to advance both internal and external multi-stakeholder dialogue. The state creates a platform for sustainable development and developing the rules of corporate citizenship, business introducing technological, managerial and social innovation, creates value for shareholders, serving customers and society criticizes / ignores superficial social responsibility program, creates conditions for the realization of the rights of local communities and forms of corporate responsibility criteria behavior (Bredgaard, 2004). Often, however, transparency and accountability of corporate communications are questionable if they do not reflect standards of business ethics and responsible and authentic leadership (O’Riordan, Fairbrass, 2014).

Methodology and scope

It has been previously studied by international scholars that there are different models (Fox et al, 2002, Albareda et al, 2008, Visser, 2010) and perception of CSR in various countries. This research is conceptual and investigates the systems and processes involved in developing and implementing CSR in various institutional, business, historical and cross-cultural environments. The empirical analysis has been developed in a two-tier approach. Using the justified typology for CSR-

communication, at the first stage official documents, websites, and additional information resources issued by BRICS governments in English were analysed using contextual analysis.

Then the research design is adjusted for explorative methodology to justify CSR application and casual methodology to study models of CSR applied to stratified sample of 50 BRICS companies, 10 of each country presented in Fortune ranking. The data used for this content analysis was collected from English communicated information from the companies (GRI nonfinancial reports), and then compared with the data derived and analysed in the governmental official documents. Obtained data was statistically tested and integrated as scaled CSR communication intensity into the econometric model based on (Li et al, 2010).

Preliminary findings

The paper identifies very different levels of CSR *penetration* in the studied countries. The increase in competition among the multinational and national companies to gain first mover advantage in BRICS countries by establishing sustainable relationships with both the state and the civil society is essential to stimulate strategic CSR application. The paper finds that firms which operate internationally are more likely to engage in CSR and to institutionalize it through various domestic codes, suggesting that glocalisation (and not westernisation) is a key CSR driver for emerging markets like BRICS. Interesting finding is that those companies in countries with stronger Governmental CSR regulation appear to be less creative in social responsibility and rare go beyond suggested frameworks (China, Russia, India), then those with business activated bottom-up approach achieve more in sustainable solutions (Brazil, SA). The paper confirms previous results on ecological focus for China and Brazil, and internal stakeholders for SA, Russia.

Theoretical implications

In the BRICS countries, along with «the advanced» socially responsible group of companies, evidence exists of a negatively minded group of businessmen and local residents (Belyaeva and Canen, 2015). In addition, many companies in China consider CSR as an unnecessary western concept and as a trading barrier (Belyaeva and Kazakov, 2015). CSR is not only a tool to manage social problems in the region. The companies in the BRICS countries consider CSR as a part of negotiations, a tool to increase of competitiveness of the company, as a possibility to enter new markets, and also to strengthen mutual relations with suppliers, investors, and buyers. This pragmatism and economic benefit expectation ‘force’ the companies to invest into social and ecological spheres, but unreasonably fewer in personal developments.

In most of the emerging markets, the state still holds the key to business success because of the existence of trade and business regulations restricting the freedom of multinational companies to incorporate their previously successful business doctrines which have been tried and tested in the developed nations.

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